STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
LANSING

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Senate Bill 257 (H-1 Enrolled)

Topic:	Provision of resort licenses
Sponsor:	Senator Hammerstrom
Co-sponsors:	None
Committee:	Regulatory Reform
Date Introduced:	March 1, 2005
Date of Summary:	July 6, 2005

Senate Bill 257 amends section 525, 531, and 543 of the "Michigan liquor control code of 1998" by providing resort licenses for each calendar year.

The bill requires an initial license fee of $20,000.00 unless the license eligibility for an applicant was already approved on the effective date of this bill. Renewal license fees are the same amounts as the application fees already established in the code.

The bill establishes that in addition to the original 550 licenses that may be issued in a resort area, the Commission may issue up to 5 additional licenses per year to establishments whose business and operation is designed to attract and accommodate tourists to the area, whose primary purpose is not for the sale of alcoholic liquor, and whose capital investment in real property, leasehold improvement, and fixtures for the premises to be licensed is $75,000.00 or more. One of those licenses must be allocated each year to an applicant located in a rural area that has a poverty rate greater than the statewide average, or that is located in a rural area that has an unemployment rate higher than the statewide average for 3 of the 5 preceding years.

Furthermore the bill establishes that in addition to the quota licenses permitted to be issued in a local governmental unit and resort area, the Commission may issue up to 15 resort economic development licenses per year to merchants whose business and operation are designed to attract and accommodate tourists and visitors to the resort area, whose primary business is not the sale of liquor, whose capital investment, leasehold improvement, fixtures, and inventory for the premises exceed $1.5 million, and does not allow casino gambling on the premises.

The bill provides that 10 additional specially designated distributor licenses be issued to merchants whose business is designed to attract and accommodate tourists, in governmental units having a population of 50,000 persons or less where the quota of licenses have been exhausted, on a yearly basis.

Lastly, the bill establishes that the resort license fee enhancement—the money representing the difference between the license fee imposed for a regular license and the additional amount imposed for resort and resort economic development licenses—be deposited into a special fund to be annually appropriated to the Commission for enforcement and other related projects.

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